

Payment Reform Recommendation

Redesign Workgroup for Waivers Serving Adults with
Intellectual and Developmental Disabilities

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COLORADO

Department of Health Care
Policy & Financing

Fee for Service (FFS)

- Current reimbursement methodology for all waiver services
- Distinct services that are reimbursed separately
- Services reimbursed according to a fee (rate) schedule
- Rewards quantity, not quality or value

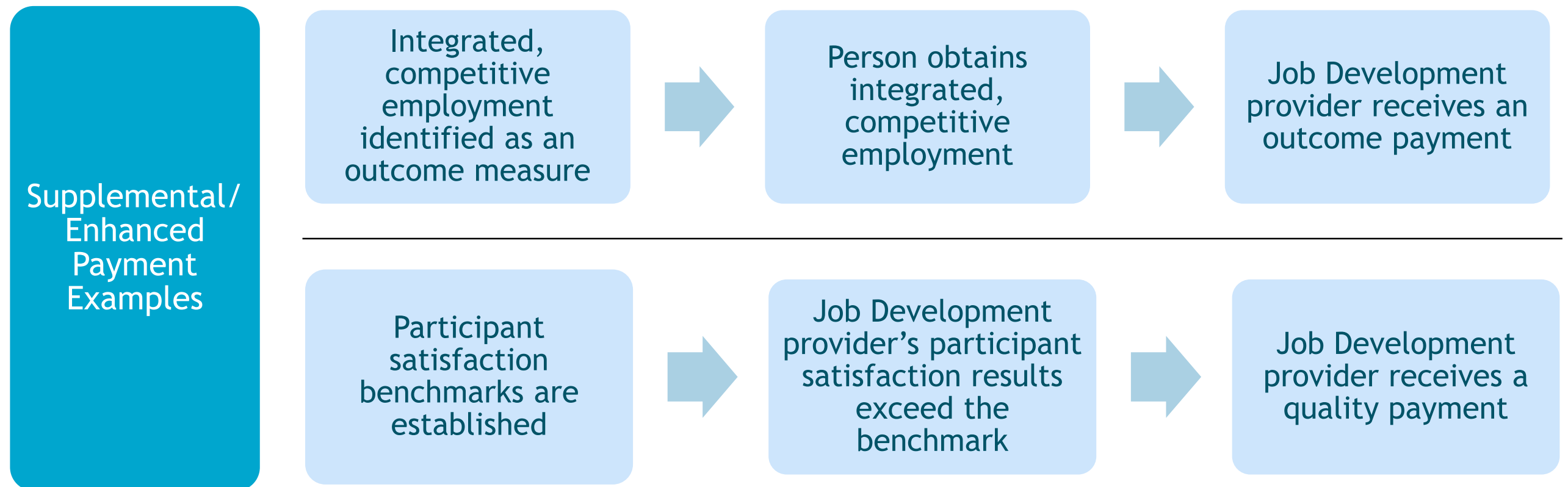
FFS Example



Managed Fee for Service (MFFS)

- Distinct services that are reimbursed separately
- Most services reimbursed according to a fee (rate) schedule
- Initiatives to manage utilization/cost and improve quality
- Use a variety of reimbursement methodologies
 - Supplemental/enhanced payments for performance outcomes or quality measures
- Encourages and rewards efficiencies

MFFS Example



Capitated Managed Care

- Services provided/obtained by a Managed Care Organization (MCO)
 - Provider enrollment is likely restricted
- MCOs are reimbursed a negotiated fee to provide all qualified services
 - Per Member, Per Month (PMPM)
 - Submit encounter data for all qualified services
 - May also receive performance incentives

Capitated Managed Care Example

MCO Contract

- Outlines qualified services, performance and quality expectations, reimbursement, etc.

Service Provision

- Provides or arranges all qualified services
- Submits encounter data claims for all qualified services

Reimbursement

- MCO receives same PMPM fee for every member
- Must meet quality and performance measures in the contract

Capitated Managed Care Example

MCO provides or arranges all qualified services and is paid the same PMPM fee

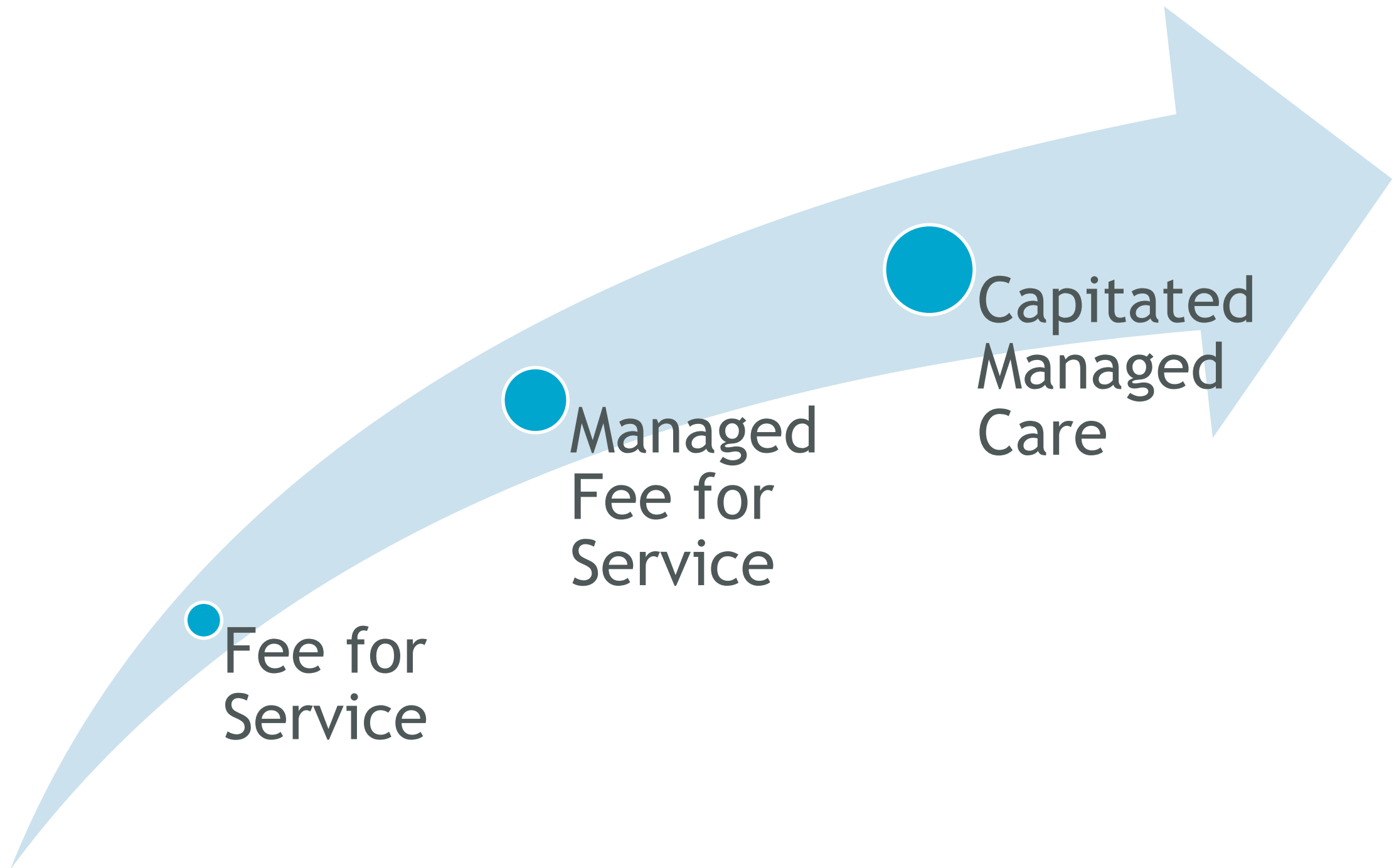
Member A:

300 hrs. Personal Care
40 hrs. Homemaker
18 days Spec. Hab.
36 trips Transportation
15 hrs. Respite

Member B:

20 hours Job Coaching
6 hrs. Homemaker

Provider Risk



Draft Recommendation

- The workgroup recommends the Department investigate opportunities to incentivize and reward performance and quality outcomes of waiver services.

Questions or Concerns?



Contact Information

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Thank You!



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